





## FINANCIAL HIGHLIGHTS

	Years Ended June 30	
	1979	1978
Net Sales . . . . .	<b>\$117,520,000</b>	\$107,956,000
U.S. and U.K. Excise Taxes . . . .	<b>73,960,000</b>	70,587,000
Earnings Before Income Taxes . .	<b>4,596,000</b>	3,563,000
Provision for Income Taxes . .	<b>627,000</b>	357,000
Net Earnings . . . . .	<b>3,969,000</b>	3,206,000
Net Earnings Per Unit of Partnership Interest . . . . .	<b>1.55</b>	1.24

*Earnings per unit are based on the weighted average units outstanding in each year.*

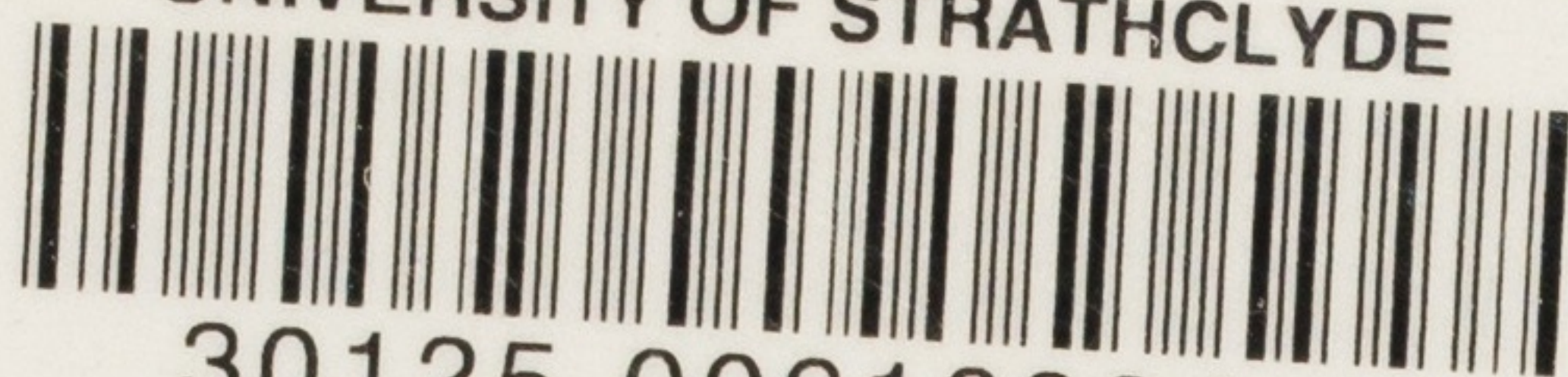
## FINANCIAL POSITION

Total Assets . . . . .	<b>\$ 66,357,000</b>	\$ 61,335,000*
Total Liabilities . .	<b>35,635,000</b>	30,491,000*
Working Capital . .	<b>32,615,000</b>	33,917,000*
Partners' Equity . .	<b>30,722,000</b>	30,844,000
Book Value, Per Unit of Partnership Interest . . . . .	<b>12.02</b>	12.06

*\*1978 has been restated to conform with certain changes in classifications adopted in 1979. The reclassifications did not have a material effect on the financial statements and did not change previously reported net earnings or Partners' capital.*



UNIVERSITY OF STRATHCLYDE



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BUSINESS INFORMATION  
CENTRE

29 JUN 1981

## TO OUR LIMITED PARTNERS:

Net earnings of Barton Brands, Ltd. and its consolidated subsidiaries for the fiscal year ended June 30, 1979 were a record \$3,969,000, or \$1.55 per partnership unit, up from \$3,206,000, or \$1.24 per partnership unit in the previous fiscal year. Net sales for the year were \$117,520,000, as compared to \$107,956,000 for the previous year.

The sharp increase in earnings is principally attributable to increased sales, both in case and in bulk, and a reduction in marketing communication expenses.

Net earnings in the fourth quarter of fiscal 1979 were \$1,398,000, or 55¢ per partnership unit, down from \$1,476,000, or 57¢ per unit, for the corresponding period of the prior year. Sales in the fourth quarter were \$33,642,000, up from \$29,422,000 in the final quarter of the preceding year.

The Company continued its policy of reducing its sales of low profit whiskeys and emphasizing sales of higher profit whiskeys and specialties and products in the growth segment of the industry, such as vodka.

## PARTNERSHIP TAX INFORMATION

The Partnership's net earnings for U.S. income tax purposes for fiscal year 1979 are \$1.62 per unit. The difference between the reported earnings of \$1.55 per unit and taxable earnings is attributable to two factors. The first is that earnings derived from our corporate subsidiaries are not taxable to our partners. The second is that there are differences in timing between the accrual of certain expenses, such as deferred compensation and depreciation and their deductibility for income tax purposes.

## FINANCIAL CONDITION

The Partnership's financial condition as of June 30, 1979 continues quite strong. Net working capital totaled \$32.6 million, compared to \$33.9 million last year. Long term debt decreased to \$3.3 million from \$5.3 million a year earlier. Partners' capital (our net worth) at year end totaled \$30.7 million or \$12.02 per unit, compared to \$30.8 million or \$12.06 per unit last year.

The Partnership may, from time to time, purchase partnership units.

## CASH DISTRIBUTION

The Partnership will make a cash distribution of \$1.00 per partnership unit payable October 15, 1979 to partners of record September 28, 1979. During the past year, distributions aggregating \$1.60 per unit were made (60¢ on October 16, 1978 and \$1.00 on May 15, 1979.) Including the payment to be made in October, the total amount that has been distributed by the Partnership since its formation in 1972 is \$34.5 million or \$13.55 per unit.

## CURRENT OUTLOOK

The Partnership is optimistic about its ability to maintain the present high level of sales volume. It is also expanding its efforts in developing new products. As part of this program, in June, the Company began the test marketing of Apple Amber Spirited Cider. Apple Amber is the culmination of over two years of research and development in partnership with La Cidrerie Du Quebec Ltd., the largest cidery in North America. Apple Amber, which is being test-marketed in Peoria and Rockford, Illinois, Milwaukee, Wisconsin and Charlotte and Greensboro, North Carolina, is the Company's first entry in the low-proof refreshment beverage alcohol category.

On July 26, 1979, the United Kingdom 1979 Finance Bill was enacted which will affect the reported deferred income tax liabilities of the Partnership's U.K. subsidiaries. The Financial Accounting Standards Board has since released an exposure draft for U.S. accounting for such U.K. income taxes. The draft provides that all previously deferred income taxes related to U.K. "stock relief" be reversed to the extent that inventories are not expected to be reduced in the future. If the draft is adopted substantially in the form as presented and inventories of our U.K. subsidiaries are not reduced, the Partnership may have up to \$2,300,000 in additional earnings to be reported ratably over the fiscal year ending June 30, 1980. Since earnings of our U.K. subsidiaries have not been and are not likely to be distributed to the Partnership, any such additional income is not likely to have any material effect on future cash distributions made by the Partnership.

LESTER S. ABELSON  
General PartnerOSCAR GETZ  
General Partner



# Always on the grow

Under the direction of Executive Vice Presidents Stuart R. Abelson and William M. Getz, the Company concentrated its efforts behind its most profitable products and intensified its new product development program.

During the past year, sales and marketing upgraded the quality image of its brands, took price increases, while examining brand opportunities and high potential growth markets.

An on-going new products development program was started, looking at new categories and new fields of opportunities based on the developing tastes of consumer preferences.

We believe we are now in a position to stimulate the future growth and profitability of many exciting new products while reinforcing the sales and profitability of our on-going brands.

## New Products

### Apple Amber Spirited Cider

We have begun the most ambitious, most extensive research program in Barton's history.

Our research indicates that consumer interest is at an all-time high in natural foods, lesser caloric intake, and lower-proof beverage alcohol products. Barton, in light of this research, is introducing an ideal product, Apple Amber Spirited Cider, in partnership with La Cidrerie Du Quebec, Ltee., the largest cidery in North America. Naturally fermented from crisp Canadian apples, Apple Amber contains only 5% alcohol, while providing a tart, tingling, refreshing taste that has fewer calories than white wine for today's diet-conscious consumers.

Research was conducted in package design, labeling, taste testing, consumer and market analysis, competitive activity, pricing variances, advertising and promotional testing.

Apple Amber has been introduced in five key markets at varying price and marketing expenditure levels to determine the optimum brand direction.

A full-scale, multi-media, point-of-sale and trade program is bringing the news about Apple Amber to consumers and trade through engaging, informative prime-time radio and television, in concert with a full array of fully-coordinated point-of-sale pieces and salesmen's kits.

We are hopeful of expanding Apple Amber into regional and major metro markets in early 1980, upon reviewing test market results.



## Racke Wines

Another step forward was taken when Barton reached an agreement with A. Racke, one of Europe's leading producers of wine and alcoholic beverages, under which Barton will provide marketing/administrative services to Racke in connection with the sale of Racke's wines in this country. The Company has an option to become Racke's partner in the marketing and sales of these wines starting in 1981.

Introduction of the Racke wines began during the past year.

Martinskeller—five top quality, top-selling wines from the Moselle and Rhine regions.

Amselfelder—white, rose and red wines (the red is reported to be one of the leading premium red wines in Europe).

Blackbird—a unique white wine from the vineyards of Germany, Italy and France.

With the assistance of consultants specializing in the development of new products, the Company has embarked upon a major effort at developing additional new products.

Research has already begun on several new product concepts to be reviewed in September of this year.

## Barton Vodka and Barton Gin

This year the Company went national with its name brand white goods products—Barton Vodka and Barton Gin. Already marketed successfully out of our Atlanta, Georgia plant, Barton Vodka and Barton Gin are attractively packaged and priced to move. Less than a year after national introduction, Barton Vodka is one of the Company's major brands with continued growth projected for this year. Barton Vodka and Barton Gin are helping Barton achieve its goal of becoming a more important supplier to its wholesale network.



## The Mexican Connection

Barton Brands has become a leader in the field of broad based distilled spirits originating from Mexico.

Our fine line of Mexican products has expanded in the last several years with more new products from Mexico in the works.

### Montezuma Tequila

Montezuma Tequila remains a leader in the tequila category. The young-adult market is still our audience demographically, and the West remains the prime consumption area of tequila geographically.

Growth in the category is occurring in gold tequila as consumers "trade-up" to a more quality imaged product. Barton Brands, recognizing this trend, will continue to promote Montezuma Gold Tequila.

### Monte Alban Mezcal

Sales of Monte Alban Mezcal, the #1 selling mezcal in Mexico and U.S., continue to exceed expectations. This unique, premium product continues to sell on a national basis, transcending the traditional regionality of the tequila category. This year we expect continued growth for Monte Alban as the brand continues to attract a selective audience with its unique appeal.



## Sabroso Coffee Liqueur

Cordials are one of the fastest growing categories in the distilled spirits field. Sabroso is no exception. The brand's sales growth exceeded expectations in FY79. Continued growth can be anticipated as Sabroso embarks on its largest Marketing/Communications budget to date. National distribution continues to grow as Sabroso establishes itself as a strong national entry.



## Amaretto de Sabroso

In FY79 we introduced our first Sabroso line extension, Amaretto de Sabroso.

Consistent with our goal of building a line of imported Mexican cordials under the Sabroso banner—plans are presently in the works to introduce a third Sabroso flavor in the Fall of the year.





# BARTON BRANDS

LTD. (an Illinois Limited Partnership)  
and Subsidiaries

## Barton's Staples

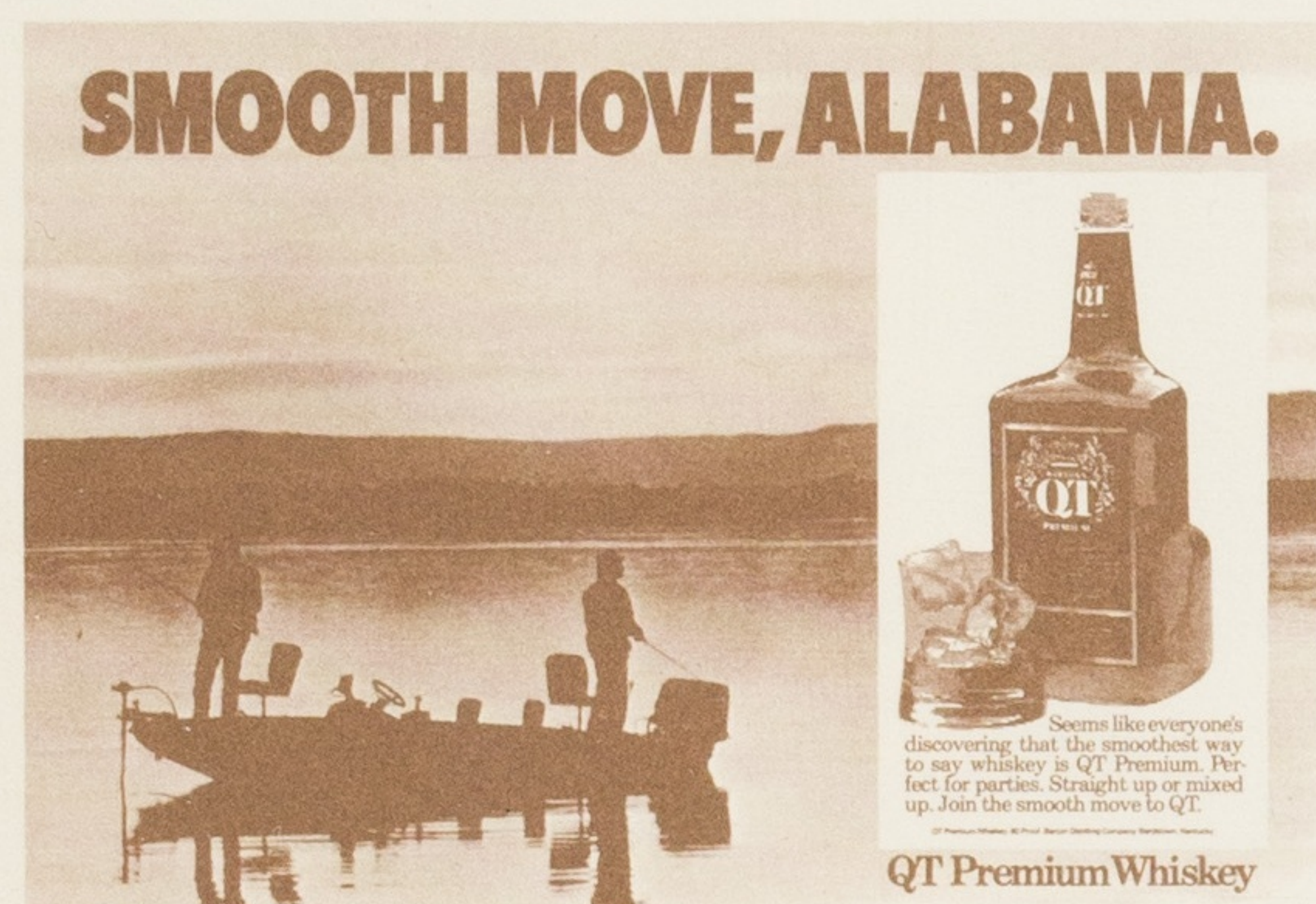
### Barton QT Premium Light Whiskey

Barton QT Premium Light Whiskey saw a rejuvenation of sales in specific areas of the country this past year.

We are conducting concentrated marketing efforts against a targeted audience with several additional markets under consideration.

Overall, the brand enjoyed sizeable growth in FY79 over FY78 with continued growth expected in FY80.

Our Atlanta-based advertising agency, Cole, Henderson & Drake, was given responsibility for QT in FY79, and are assisting us in developing long- and short-range plans for further expansion beyond the current active markets.



### Highland Mist

Sales continued to grow in Colorado well over FY78 sales, with Texas sales exceeding expectations despite a major price increase which improved profitability. Our "Misty" campaign continues to build Highland Mist awareness and establish new Highland Mist consumers. Highland Mist 12-year-old has shown solid growth in several markets.



### House of Stuart

Case sales remained relatively stable vs. FY78, while overall profitability and brand imagery were improved. Scotch category sales remained constant in this highly competitive field.

Several markets continued to show growth in not only the 4-year-old but also the more profitable higher quality 12-year-old as our "Come Over To Our House" theme continued to provide "call-to-action" advertising.



### Very Old Barton

Sales and market shares were increased in Kentucky and Tennessee as the brand in FY79 increased overall vs. FY78. Besides recording increased sales, brand profitability also gained due to a price adjustment in secondary markets.

Once again, Very Old Barton is being actively advertised in striking 3-dimensional outdoor, well-positioned newspaper and attractive coordinated point-of-sale pieces.

### Kentucky Gentleman

Kentucky Gentleman continued to strengthen its high-quality imagery in the 8-year-old category. A strong advertising campaign using major consumer magazines and newspapers was run in key growth markets. While sales were off slightly in FY79 vs. FY78, the 8-year-old continued to grow in sales and contributed to an improvement in overall brand profitability.



## Sales Promotion

Because so many of today's consumers are impulse buyers, sales promotion is a critically important part of our total sales and marketing effort.

The Barton's booth at a Florida Expo turned out to be the most popular spot around. While a Montezuma hang glider soared above the crowd, numerous Monte Alban and Montezuma T-shirts were being raffled, and consumers were being introduced to Monte Alban Mezcal and Montezuma Tequila.

Very Old Barton held a Pro-Am golf tournament for Kentucky retailers and professional golfers at Hurstbourne Country Club in Louisville. This tournament received tremendous press and TV coverage all across the state and was so successful that plans are being made to make it an annual event.

Capitalizing on the tremendous popularity of Chili cook-offs in the West and Southwest, Barton participates in as many as possible. Our ChiliZuma is a consistent award winner. We even dished up ChiliZuma at the Florida Expo and the National Convention of Liquor Wholesalers.

Our enclosed Chili insert will be running in a major magazine this Fall with additional copies supplied to retail outlets.

We used live coffee trees in a national promotional drive to increase distribution and sales of Sabroso Coffee Liqueur. Results were so excellent and dealers and distributors were so enthusiastic, we're planning similar promotions for the future.

As always, all of our in-store promotions are geared to attract consumers through the use of eye-catching, long-lasting point-of-sale materials.





**STATEMENTS OF CONSOLIDATED EARNINGS**

YEARS ENDED JUNE 30

	1979	1978
Net Sales (Note 1) .....	<b>\$117,520,130</b>	\$107,956,151
Cost of Sales (Note 1) .....	<b>103,993,514</b>	95,411,990
Gross Profit on Sales .....	<b>13,526,616</b>	12,544,161
Marketing and Administrative Expenses .....	<b>7,805,044</b>	8,133,208
Operating Income .....	<b>5,721,572</b>	4,410,953
Other (Income) or Deductions		
Interest expense .....	<b>1,449,534</b>	1,031,764
Interest income .....	<b>(781,811)</b>	(550,253)
Other expense—net .....	<b>457,891</b>	366,724
	<b>1,125,614</b>	848,235
Earnings Before Income Taxes .....	<b>4,595,958</b>	3,562,718
Income Tax Expense (Notes 1 and 8) .....	<b>627,100</b>	356,800
Net Earnings (Note 1) .....	<b>\$ 3,968,858</b>	<b>\$ 3,205,918</b>
Net Earnings Per Unit (Note 1) .....	<b>\$ 1.55</b>	<b>\$ 1.24</b>

*The accompanying notes are an integral part of these statements.***STATEMENTS OF CONSOLIDATED PARTNERS' CAPITAL**

YEARS ENDED JUNE 30

	1979	1978
Partners' Capital—Beginning .....	<b>\$30,843,932</b>	\$35,093,560
Net Earnings .....	<b>3,968,858</b>	3,205,918
Cash Distributions:		
2,590,069 units at \$0.30 per unit .....	—	(777,021)
2,591,569 units at \$1.80 per unit .....	—	(4,664,824)
2,558,154 units at \$0.60 per unit .....	—	(1,534,892)
2,558,534 units at \$0.60 per unit .....	<b>(1,535,120)</b>	—
2,555,157 units at \$1.00 per unit .....	<b>(2,555,157)</b>	—
Additional Contributed Capital .....	<b>21,181</b>	2,625
Issue of New Partnership Units .....	<b>3,183</b>	12,356
Purchase and Cancellation of Partnership Units .....	<b>(24,904)</b>	(493,790)
Partners' Capital—Ending .....	<b>\$30,721,973</b>	<b>\$30,843,932</b>

*The accompanying notes are an integral part of these statements.*



**STATEMENTS OF CONSOLIDATED CHANGES IN FINANCIAL POSITION**

YEARS ENDED JUNE 30

	1979	1978 (Note 1)
<b>SOURCES OF WORKING CAPITAL</b>		
From Operations		
Net earnings .....	\$ 3,968,858	\$ 3,205,918
Charges to earnings not using working capital		
Depreciation and amortization (Note 1) .....	469,574	477,927
Deferred taxes on income (Note 1) .....	544,400	352,100
Increase in deferred compensation (Note 4) .....	211,040	98,771
Translation loss on Barton Distilling (Scotland) Ltd. Long term loan .....	—	275,500
Working capital provided from operations .....	5,193,872	4,410,216
Long-term debt financing .....	—	1,300,000
Increase in contributed capital .....	21,181	2,625
Decrease of deferred charges .....	180,156	—
Sales of property, plant and equipment .....	7,915	23,289
Issuance of Partnership units .....	3,183	12,356
Total .....	5,406,307	5,748,486
<b>USES OF WORKING CAPITAL</b>		
Decrease in long-term debt .....	2,000,000	4,318,500
Increase in prepaid expenses and deferred charges .....	—	4,520
Cash distributions .....	4,090,277	6,976,737
Additions to property, plant and equipment—net .....	593,321	723,059
Purchase and cancellation of Partnership units .....	24,904	493,790
Total .....	6,708,502	12,516,606
<b>DECREASE IN WORKING CAPITAL .....</b>	<b><u>\$(1,302,195)</u></b>	<b><u>\$(6,768,120)</u></b>
<b>INCREASES (DECREASES) IN WORKING CAPITAL COMPONENTS</b>		
Cash and commercial paper .....	\$(1,048,928)	\$ 1,062,921
Receivables—trade .....	5,050,209	2,773,773
Funds in Escrow .....	—	(3,886,087)
Inventories .....	1,084,883	824,179
Net increase (decrease) in current assets .....	5,086,164	774,786
Notes payable—banks .....	(518,196)	1,934,645
Current maturities—long-term debt .....	1,806,400	2,568,500
Accounts payable—trade .....	1,698,344	251,127
Distributions payable .....	(1,534,892)	1,534,892
Accrued liabilities .....	4,858,449	1,243,910
U.S. and foreign taxes on income .....	78,254	9,832
Net increase (decrease) in current liabilities .....	6,388,359	7,542,906
<b>DECREASE IN WORKING CAPITAL .....</b>	<b><u>\$(1,302,195)</u></b>	<b><u>\$(6,768,120)</u></b>

The accompanying notes are an integral part of these statements.





LTD. (an Illinois Limited Partnership)  
and Subsidiaries

## CONSOLIDATED BALANCE SHEETS JUNE 30

ASSETS	1979	1978 (Note 1)
Current Assets		
Cash and commercial paper .....	\$ 7,788,755	\$ 8,837,683
Receivables		
Trade (less allowance for doubtful accounts—\$307,386 in 1979 and 1978 .....	20,020,707	15,276,051
Other .....	287,831	273,065
Other Current Assets .....	495,198	204,411
Inventories (Note 1)		
Bulk whiskeys (Note 3) .....	28,158,752	27,466,576
Case goods .....	4,015,038	3,807,112
Raw materials and supplies .....	1,582,763	1,397,982
Total current assets .....	62,349,044	57,262,880
Property, Plant and Equipment (Notes 1, 4 and 6)		
Land .....	244,153	244,153
Buildings .....	4,701,322	4,791,703
Machinery and equipment .....	7,343,502	7,008,555
	12,288,977	12,044,411
Less accumulated depreciation and amortization .....	8,516,007	8,387,273
	3,772,970	3,657,138
Deferred charges .....	234,807	414,963
	\$66,356,821	\$61,334,981

The accompanying notes are an integral part of these statements.



## LIABILITIES AND PARTNERS' CAPITAL

	1979	1978 (Note 1)
Current Liabilities		
Notes payable—banks (Note 4) .....	\$ 3,404,424	\$ 3,922,620
Current maturities— long-term debt (Note 3) .....	6,124,900	4,318,500
Accounts payable—trade .....	3,615,620	1,917,276
Distributions payable .....	—	1,534,892
Accrued liabilities		
Taxes, other than income taxes (including Federal excise tax—Note 1) .....	14,478,450	9,488,212
Other .....	1,451,725	1,583,514
U.S. and foreign taxes on income (Notes 1 and 8) .....	659,028	580,774
Total current liabilities .....	29,734,147	23,345,788
Long-Term Debt (Note 3) .....	3,300,000	5,300,000
Deferred Compensation (Note 5) .....	309,811	98,771
Deferred Income Taxes (Note 1) .....	2,290,890	1,746,490
Commitments and Contingencies (Notes 6 and 7) .....	—	—
Partners' Capital		
Outstanding 1979, 2,555,157 units; 1978, 2,558,154 units .....	30,721,973	30,843,932
	<u>\$66,356,821</u>	<u>\$61,334,981</u>

The accompanying notes are an integral part of these statements.



**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 1979 and 1978

**(1) Summary of Significant Accounting Policies**

The accompanying financial statements for 1978 have been restated to conform with certain changes in classifications adopted in 1979. The reclassifications did not have a material effect on the financial statements and did not change previously reported net earnings or Partners' capital.

**Principles of Consolidation** The consolidated financial statements include the accounts of the Partnership and its subsidiaries, all of which are wholly-owned. European subsidiaries are included in the consolidated financial statements on the basis of fiscal years ended April 30.

**Translation of Foreign Subsidiaries** Amounts relating to foreign currencies have been translated into U.S. dollar amounts in accordance with the provisions of the Financial Accounting Standards Board Statement No. 8 (FASB-8). Foreign exchange adjustments are included in income in the period in which they occur. For the years ended June 30, 1979 and 1978, translation of foreign accounts resulted in a charge to consolidated earnings of \$295,000 and \$460,500 respectively. For income tax purposes, such gains or losses are not recognized until realized.

**Inventories** Approximately 24% of the total cost of inventories at June 30, 1979 was determined by the last-in, first-out method (25% at June 30, 1978). Had such inventories been determined by the first-in, first-out and average cost methods, the total inventory costs in the accompanying balance sheet would have been increased by \$3,219,000 at June 30, 1979 (\$2,196,000 at June 30, 1978). The remainder of the inventories are priced at cost determined by specific identification, average cost or first-in, first-out methods. Costs determined by the various methods referred to above were not in excess of market.

During the years ended June 30, 1979 and 1978, the whiskey quantities, both produced and purchased, which are valued on a LIFO basis were in some instances reduced. Management estimates that had the inventory quantities remained constant, earnings for the years would have been reduced by \$355,000 and \$530,000, respectively.

Federal excise taxes on inventories in bond, principally whiskey and spirits, constitute a lien on such inventories.

A substantial portion of the inventories will not be sold within one year because of the duration of aging processes. All inventories are classified as current in accordance with industry practice.

**U.S. and Foreign Excise Taxes** In accordance with generally accepted industry practice, both net sales and cost of sales for the years ended June 30, 1979 and 1978 include excise taxes of approximately \$73,960,000 and \$70,587,000 respectively.

Excise taxes included in current liabilities at June 30, 1979 and 1978 are approximately \$13,940,000 and \$8,304,000 respectively.

**Earnings Per Unit** Earnings per Partnership unit are based upon the weighted average units outstanding during each fiscal period.

**Property and Depreciation** Property, plant and equipment are stated at cost. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements . . . . .	7 to 33 years
Machinery and equipment . . . . .	3 to 10 years

**Taxes on Income** As a partnership, Barton Brands, Ltd. is not subject to Federal income taxes. Instead, each partner will be taxed on his share of the Partnership's taxable income, whether or not distributed, and will be entitled to deduct on his own tax return, his share of any net losses of the Partnership to the extent of the tax basis of his Partnership interest.

The Partnership's net earnings for income tax purposes will differ from the net earnings for the periods reported herein. As required by the Tax Reform Act of 1976, the Partnership's net earnings for each fiscal year are allocated on a daily basis among the holders of units during such fiscal years in proportion to their respective Participating Percentages (except for extraordinary items which are allocated as determined by the Corporate General Partner). The earnings of the Partnership's corporate subsidiaries are not currently taxable to the partners.

Earnings of the Partnership and its corporate subsidiaries for the fiscal years ended June 30, 1979 and 1978 were:

	Amount		Per Partnership Unit	
	1979	1978	1979	1978
Partnership Earnings . . . . .	\$4,499,000	\$3,349,000	\$1.76	\$1.30
Earnings of Corporate Subsidiaries				
Before Income Taxes				
(After charges resulting from translation of foreign accounts)	97,000	214,000	0.04	0.08
Income Tax Expense	627,000	357,000	0.25	0.14
	(530,000)	(143,000)	(0.21)	(0.06)
Net earnings . . . . .	\$3,969,000	\$3,206,000	\$1.55	\$1.24

The amount of Partnership earnings which are taxable to partners is expected to be approximately \$4,163,000 (\$1.63 per unit) for the fiscal year ended June 30, 1979. The Partnership agreement provides that the Partnership shall make annual cash distributions to its partners in an amount equal to not less than 50% of the taxable income of the Partnership in each fiscal year, and that each distribution will be made not later than 150 days after the close of such fiscal year.

The Partnership and the partners may be subject to state and local taxes in jurisdictions in which the Partnership may be deemed to be doing business or in which it owns property or other interests.

Deferred income taxes arise substantially from timing differences of European subsidiaries.

**(2) Funds in Escrow**

The escrow established in connection with the sale by Barton Brands, Inc., the Partnership's predecessor in busi-



ness, of its Canadian Whisky Business on August 31, 1971, was terminated on February 14, 1978. The proceeds of such escrow, \$4,106,000, were part of the \$4,665,000 (\$1.80 per unit) distributed to Partners on February 27, 1978. The difference between the amount received from the escrow and the \$3,886,000 previously shown as due from the escrow, approximately \$220,000 (\$0.08 per unit) is reflected as income in the Financial Statements for the year ended June 30, 1978. In addition the transaction resulted in a long-term capital gain of \$1.57 per unit, allocable to each Partner of record at February 14, 1978.

### (3) Long-Term Debt and Collateral Pledged

The long-term debt at June 30, 1979 and 1978 consisted of the following:

	1979	1978
Notes Secured by Bulk Whiskey in Bond		
10% due October 15, 1978.....	\$ —	\$ 775,000
114% of Prime rate of Lenders, (125% prior to July 15, 1978) Due: 50% June 30, 1980; 25% June 30, 1982; balance June 30, 1983 .....	4,000,000	4,000,000
114% of Prime rate of Lenders, (125% prior to July 15, 1978) Due: 50% January 31, 1982; 25% January 31, 1984; balance January 31, 1985 .....	1,300,000	1,300,000
Total (secured by bulk whiskey inventory in bond at LIFO cost of \$4,590,000 at June 30, 1979 and \$6,221,000 in 1978)	5,300,000	6,075,000
Barton Distilling (Scotland) Ltd. £1,900,000 term loan, with variable interest not to exceed 1/2% above the Euro-dollar interbank rate, due August 27, 1979. Loan translated in compliance with FASB-8 .....	4,124,900	3,543,500
Total .....	\$9,424,900	9,618,500
Current maturities .....	6,124,900	4,318,500
Long-Term Portion .....	<u>\$3,300,000</u>	<u>\$5,300,000</u>

Prime interest rate was 11 1/2 and 8 3/4 at June 30, 1979 and 1978, respectively.

### (4) Notes Payable—Banks

Notes payable—banks consist of short term borrowings of the Partnership's European subsidiary.

Barton Distilling (Scotland), Ltd. a U.K. subsidiary of the Company, has granted the Clydesdale Bank Limited, Glasgow, Scotland, mortgage and security interest in such subsidiary's real and personal property, now owned or hereafter acquired by such subsidiary to secure payment of any loans or other obligations due and owing from such subsidiary to said Bank from time to time. At April 30, 1979 Barton Distilling (Scotland), Ltd.'s indebtedness to the Clydesdale Bank Limited amounted to \$3,404,000 (\$3,923,000 in 1978). Such indebtedness was secured by the assets of such subsidiary having an aggregate book value on such date of approximately \$14,365,000 (\$13,730,000 in 1978).

### (5) Deferred Compensation

On November 30, 1972, the Partnership entered into agreements concerning two executives of the Partnership under which it agreed, subject to certain conditions, to purchase, at the elections of the owners, an aggregate of 33,381 Partnership units owned beneficially by such executives or members of their families. At the election of the holders, the Partnership purchased said units on February 27, 1978 at the option price of \$14.95 per unit.

The Partnership has entered into agreements with several key employees under which the employees were granted options to purchase Partnership units over a period of five years at a price which is subject to reductions for cash distributions in excess of net income during the period. The agreements provide for a cash settlement alternative to the employees based upon net earnings during the period. The agreements entered into in 1973 and 1975 include a second cash alternative based upon the increase in the fair market value of units during the period. At June 30, 1979 the following options were outstanding:

Options Granted: Date	August 1, 1973	July 1, 1975	October 1, 1975	Nov. 30, 1977	July 25, 1978	August 1, 1978
Number of Units	3,500	1,900	5,500	45,520	50,000	4,750
Options Exercised:						
9/30/76	—	(380)	—	—	—	—
8/26/77	—	(380)	—	—	—	—
12/07/77	(1,500)	—	—	—	—	—
8/01/78	(2,000)	—	—	—	—	—
8/30/78	—	(380)	—	—	—	—
	<u>-0-</u>	<u>760</u>	<u>5,500</u>	<u>45,520</u>	<u>50,000</u>	<u>4,750</u>
Option Price at June 30, 1979 ....		\$2.47	\$2.47	\$5.42	\$6.95	\$7.08

To the extent that the above agreements represent compensation to the employees, such compensation cost is being accrued over the agreement period.

### (6) Commitment

The Partnership conducts a portion of its operations in facilities leased through December, 1979 at annual net rental aggregating to \$170,000. A creditor of the lessor has a security interest in the machinery and equipment, including the improvements and additions thereto made by the Partnership (approximately \$373,000 at June 30, 1979).

### (7) Contingencies

#### a. Taxes

On April 29, 1977, the District Director of Internal Revenue in Chicago notified the Partnership of the Internal Revenue Service's determination with respect to the Partnership's income tax liability as successor to Barton Brands, Inc., for the taxable years of Barton Brands, Inc., ended June 30, 1966 and June 30, 1969 through June 30, 1972, inclusive and for the month of July, 1972, asserting deficiencies, including penalties, of approximately \$2,300,000 exclusive of interest. The Partnership has filed a petition with the U.S. Tax



Court contesting such determination. Income tax returns of the Partnership have been examined through 1974.

#### b. Litigation

In May, 1978 the management of the Partnership disclosed that it had ascertained that Partnership personnel have engaged in practices involving the payment of money or other financial benefits to wholesalers or retailers, in possible violation of Federal or state laws relating to the sale of alcoholic beverages. Many other firms in the industry have also publicly reported such practices. In accordance with Partnership policy, procedures have been established to ensure compliance by the Partnership with all applicable laws. The Partnership conducted an investigation of such past practices and has made a voluntary disclosure to the Bureau of Alcohol, Tobacco and Firearms as part of a program for such disclosure outlined in an industry circular issued by the Bureau in April, 1978. The Partnership could be subject to liabilities or suspension or revocation of licenses or permits by Federal and state authorities; and deductions in respect of such payments claimed for Federal income tax purposes by the Partnership in determining the amount of income reportable by its partners in years before the Partnership's 1978 tax year could be challenged by the Internal Revenue Service. It could also be contended that the Partnership failed to make necessary disclosures with respect to such practices in violation of the Federal securities law.

#### (8) Income Taxes

The factors that cause the provision for income taxes for continuing operations to vary from the Federal Income Tax rate are as follows:

	1979	1978
Federal income taxes at statutory rate (47% and 48% in 1979 and 1978 respectively) .....	\$2,160,100	\$1,710,100
Effect of:		
Earnings Taxable to Partners .....	(1,956,600)	(1,457,600)
Foreign Currency Translation .....	309,800	275,400
Deferred Compensation .....	99,200	(139,200)
State and Foreign Taxes—Net of Federal Income Taxes .....	(14,500)	23,300
Other .....	29,100	(55,200)
	<u>\$ 627,100</u>	<u>\$ 356,800</u>

### AUDITORS' REPORT

Partners of Barton Brands, Ltd.

We have examined the consolidated balance sheets of Barton Brands, Ltd. and Subsidiaries as of June 30, 1979 and 1978, and the related consolidated statements of earnings, partners' capital and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of certain foreign subsidiaries whose assets and net sales represent 19% and 20% of consolidated assets in 1979 and 1978, and 6% of consolidated net sales in 1979 and 1978, respectively. These statements were examined by other auditors whose reports thereon have been furnished to us and our opinion, expressed herein, insofar as it relates to the amounts included for these subsidiaries, is based solely upon such reports.

As discussed more fully in note 7 to the consolidated financial statements, the Internal Revenue Service has proposed adjustments concerning the taxability of various past transactions, substantially related to the liquidation of Barton Brands, Inc. into Barton Brands, Ltd. We are unable to form

On July 26, 1979, the United Kingdom 1979 Finance Bill was enacted which will affect the reported deferred income tax liabilities of the Partnership's U.K. subsidiaries. The Financial Accounting Standards Board has since released an exposure draft for U.S. accounting for such U.K. income taxes. The draft provides that all previously deferred income taxes related to U.K. 'stock relief' be reversed to the extent that inventories are not expected to be reduced in the future. If the draft is adopted substantially in the form as presented and inventories of our U.K. subsidiaries are not reduced, the Partnership may have up to \$2,300,000 in additional earnings to be reported ratably over the fiscal year ending June 30, 1980.

#### (9) Geographic Segment Information

The Partnership and its subsidiaries operate in a single industry segment, the Alcoholic Beverage Industry.

The Partnership has its principal operations in the United States and in Europe. Intersegment sales are made at market. The following schedules represent information about the geographic areas in which the Partnership operates:

Years Ended June 30 (\$000 Omitted)	United States	Europe	Consolidated
1979			
Sales .....	\$111,661	\$ 9,249	
Intersegment Sales .....	(709)	(2,681)	
Sales to Unaffiliated Customers .....	110,952	\$ 6,568	\$117,520
Operating Income .....	\$ 4,200	\$ 1,522	\$ 5,722
Total Assets .....	\$ 53,895	\$12,462	\$ 66,357
1978			
Sales .....	\$102,016	\$ 7,982	
Intersegment Sales .....	(209)	(1,833)	
Sales to Unaffiliated Customers .....	\$101,807	\$ 6,149	\$107,956
Operating Income .....	\$ 3,316	\$ 1,095	\$ 4,411
Total Assets .....	\$ 49,451	\$11,884	\$ 61,335

an opinion on the adequacy of the income tax liability included in the consolidated financial statements because of the tentative status of the issue involved. In addition, management and special counsel conducted a joint review of certain past business activities of Barton Brands, Ltd. and the effects, if any, of the outcome of such review are not presently determinable.

In our opinion, based upon our examinations and the reports of other auditors and subject to the effects, if any, of the outcome of the matters referred to in the preceding paragraph and in note 7 to the consolidated financial statements, which could be material, the consolidated financial statements referred to above present fairly the consolidated financial position of Barton Brands, Ltd. and Subsidiaries as of June 30, 1979 and 1978 and the consolidated results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Alexander Grant & Company*

Chicago, Illinois

August 10, 1979



Management’s responsibilities for financial reporting

The consolidated financial statements and related information for the years ended June 30, 1979 and 1978 have been prepared by management who are responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and where appropriate, reflect best estimates based on judgments of management. Financial information included elsewhere in this Annual Report is consistent with that contained in the financial statements.

Our systems of internal accounting controls are designed to provide reasonable assurance that the financial records fairly reflect transactions and that established policies and procedures are followed. Our systems are augmented by frequent contact among Partnership, Division and Subsidiary personnel to facilitate open communication. In connection with the annual audit, the independent accountants perform examinations in accordance with generally accepted auditing standards which include a review of internal accounting controls and tests of transactions.

FIVE YEAR SUMMARY OF OPERATIONS

	1975	1976	1977	1978	1979
NET SALES .....	\$109,858,108	\$106,827,085	\$104,336,862	\$107,956,151	\$117,520,130
COST OF SALES.....	95,178,283	94,405,719	92,970,029	95,411,990	103,993,514
GROSS PROFIT ON SALES .....	14,679,825	12,421,366	11,366,833	12,544,161	13,526,616
MARKETING AND ADMINISTRATIVE EXPENSES .....	12,809,538	9,966,270	8,717,520	8,133,208	7,805,044
OPERATING INCOME .....	1,870,287	2,455,096	2,649,313	4,410,953	5,721,572
OTHER (INCOME) OR DEDUCTIONS					
Interest expense and amortization of debt discount and expense .....	1,206,737	699,034	933,315	1,031,764	1,449,534
Interest income .....	(582,884)	(485,029)	(503,994)	(550,253)	(781,811)
Other (income) expenses—net .....	(366,726)	(10,139)	231,776	366,724	457,891
	257,127	203,866	661,097	848,235	1,125,614
EARNINGS BEFORE INCOME TAXES.....	1,613,160	2,251,230	1,988,216	3,562,718	4,595,958
PROVISION FOR INCOME TAXES.....	250,850	72,000	277,900	356,800	627,100
NET EARNINGS.....	\$ 1,362,310	\$ 2,179,230	\$ 1,710,316	\$ 3,205,918	\$ 3,968,858
WEIGHTED AVERAGE UNITS OUTSTANDING .....	2,651,523	2,636,233	2,634,565	2,583,249	2,556,748
PER UNIT OF PARTNERSHIP INTEREST....	\$ .51	\$ .83	\$ .65	\$ 1.24	\$ 1.55

PARTNERSHIP UNIT INFORMATION

The Company’s units of limited partnership interest are traded in the over-the-counter market under the ticker symbol BBRLZ. The high and low quarterly bid and asked prices for the past two fiscal years were as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Fiscal 1979</b>				
High bid and asked .....	9 <sup>3</sup> / <sub>4</sub> -10 <sup>3</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub> -9 <sup>1</sup> / <sub>4</sub>	9 <sup>1</sup> / <sub>2</sub> -10 <sup>1</sup> / <sub>4</sub>	11-11 <sup>3</sup> / <sub>4</sub>
Low bid and asked .....	6 <sup>3</sup> / <sub>4</sub> -7 <sup>1</sup> / <sub>2</sub>	7-7 <sup>3</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>4</sub> -8	8-8 <sup>3</sup> / <sub>4</sub>
<b>Fiscal 1978</b>				
High bid and asked .....	6 <sup>1</sup> / <sub>4</sub> -7	6 <sup>1</sup> / <sub>2</sub> -7 <sup>1</sup> / <sub>4</sub>	8 <sup>1</sup> / <sub>8</sub> -8 <sup>7</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>4</sub> -7 <sup>1</sup> / <sub>2</sub>
Low bid and asked .....	6-6 <sup>3</sup> / <sub>4</sub>	6 <sup>1</sup> / <sub>4</sub> -7	6 <sup>1</sup> / <sub>4</sub> -7	6 <sup>1</sup> / <sub>8</sub> -6 <sup>7</sup> / <sub>8</sub>



## INTERIM FINANCIAL DATA

Condensed unaudited quarterly statements of income during the years ended June 30, 1979 and 1978, which aggregate to the annual audited results were as follows:

(Dollars in thousands except per unit amounts)

Year Ended June 30	Three Months Ended				Total Year
	September 30	December 31	March 31	June 30	
1979					
Net Sales . . . . .	\$23,380	\$32,127	\$28,371	\$33,642	\$117,520
Gross Profit . . . .	2,583	4,336	2,799	3,809	13,527
Net Earnings . . . .	217	1,614	740	1,398	3,969
Per Unit . . . . .	\$ .08	\$ .63	\$ .29	\$ .55	\$ 1.55
1978					
Net Sales . . . . .	\$21,988	\$30,725	\$25,821	\$29,422	\$107,956
Gross Profits . . . .	2,377	3,548	2,799	3,820	12,544
Net Earnings . . . .	19	901	810	1,476	3,206
Per Unit . . . . .	\$ .01	\$ .34	\$ .32	\$ .57	\$ 1.24

## You are cordially invited to visit The Barton Museum of Whiskey History

The only Museum of its kind in the United States, with a most fascinating collection of Americana and Whiskey-ana from pre-Colonial and Colonial times to the present.

Oscar Getz, Founder of the Museum, has spent a lifetime gathering the artifacts, the dramatic pictures and news stories which encompass the whole sweep of a three hundred year history of an industry which has helped shape the social, economic, cultural and political life of America.

Here are hundreds of very beautiful and valuable antique bottles, flasks and jugs first made in the U. S. A. for the whiskey trade, vivid pictures of famous Colonial Taverns and Inns, displays of ancient and old time stills, diaramas of old time saloons and of Abe Lincoln's store and tavern, exact copies of King George's and American laws taxing liquors and taverns and regulating prices and hours of service. Here you will see the whole story of

Prohibition and Repeal and of the men and women who were responsible for both historic events. Here you will see displays of famous pre-Prohibition whiskeys and labels, the 300 year growth of the liquor industry, the ever changing marketing methods and advertising, including some of the original newspaper and magazine ads offering, "Four full quarts of pure whiskey for \$3.60, express prepaid."

There is so much to see in this famous Museum. Over 600,000 people from every part of the country, from every Canadian Province, from every country of Western Europe, have already visited the Museum.

The Museum of Whiskey History is housed in a Colonial building on the grounds of the Barton Distillery, in Bardstown, Nelson County, Kentucky. The Museum is open daily to the public; there is no admission charge.

*Pictured below is a reproduction of an extremely interesting and beautiful painting now hanging in the Museum of Whiskey History. Titled, "What's your pleasure, Mr. President?" the painting shows the favorite drink of every President of the United States, from George Washington to Jimmy Carter.*





## GENERAL PARTNERS

Lester S. Abelson  
Oscar Getz  
Barton Distilling Associates, Inc.

## PRINCIPAL EXECUTIVES

### Management

Oscar Getz  
*Chairman of the Board*  
Lester S. Abelson  
*President*  
Stuart R. Abelson  
*Executive Vice President*  
William M. Getz  
*Executive Vice President*

### Financial

Ralph D. Silver  
*Chief Financial Executive*  
Fred R. Mardell  
*Secretary*  
Raymond E. Powers  
*Controller*

### Operations

Paul L. Kraus  
*Chief Operations Executive*

### Marketing and Sales

Thomas R. O'Shea  
*Open States Sales  
Manager*  
Robert G. Miller  
*Control States Sales  
Manager*  
Lou Morris  
*Division Sales Manager*  
Frank Wall  
*Division Sales Manager*  
Walter Williford  
*Division Sales Manager*  
William Groman  
*Division Sales Manager*  
Bruce T. Curtis  
*Marketing Manager*

### Transfer Agent

American National Bank and  
Trust Company of Chicago

**Traded:** Over-the-Counter  
NASDAQ Symbol: **BBRLZ**

Any partner can obtain a free copy of the Partnership's Form 10-K annual report filed with the Securities and Exchange Commission for fiscal 1979 by writing to the Secretary, Barton Brands, Ltd.



LTD. (an Illinois Limited Partnership)  
and Subsidiaries

### EXECUTIVE OFFICES

55 East Monroe Street, Chicago, Illinois 60603







# Hot Stuff!

**Everything You Always  
Wanted to Know  
About Chili But Were  
Afraid to Ask**





# The mystique of Monte Alban Mezcal.

For years, there's been a rumor going around that in Mexico you can buy a certain kind of liquor that comes with a worm in every bottle.

That rumor is not only true, it's delicious. The liquor is called Monte Alban Mezcal con Gusano. And the story behind it is fascinating.

In the middle of the sixteenth century, the Spanish *conquistadores* had done what they had come to Mexico to do: conquer the New World. And because the Spaniards were running out of their traditional rum, they celebrated with the distilled juice of the *agave* cactus. This they called Mezcal.



Today's Mezcal is an intriguing liquor, being both potent and smooth. Not to mention mellow and downright delicious.

Now comes the best part. Inside every *agave* cactus live tasty little *agave* worms. *Agave* worms are so particular, they're only found in that one species. It



is for this reason that genuine Mezcal, made from the *agave* cactus in Oaxaca province, is bottled with a genuine *agave* worm.

As with other traditions that are hundreds of years old, a certain mystique has been built up around the ritual of consuming Mezcal and its *agave* worm. Most knowledgeable people drink it like tequila; that is, with a lick of salt and a bite of lime. For true tradition, use the mixture of sea-salt and spices in the bag attached to the bottle. The worm is said by some to be the key to wondrous experiences. Others claim it sets free a spirit of celebration.

Whatever the truth, we know that *agave* worms are a very popular delicacy in Mexico.

And why should the Mexicans have Mezcal all to themselves? Now, for the first

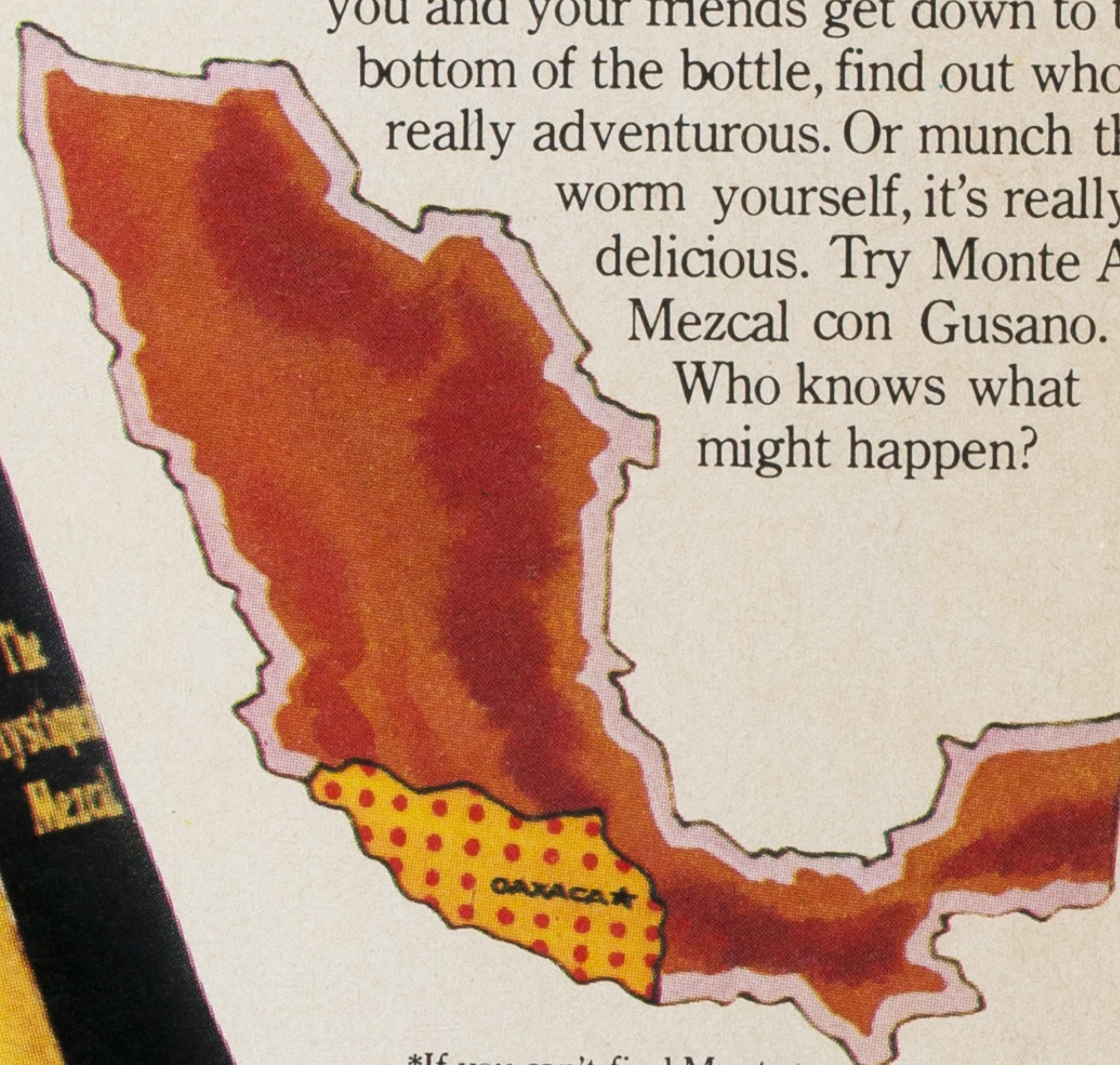


time, you can buy Mexico's leading brand of Mezcal—Monte Alban Mezcal con Gusano—in the United States. Each bottle is genuine Mezcal

from the region of Oaxaca. For proof, just look inside the bottle.

Monte Alban Mezcal opens up whole new worlds to conquer. Bring it along to your next party. Enlighten people on its heritage. Demonstrate how to drink it. Make mixed drinks with it, too. And when

you and your friends get down to the bottom of the bottle, find out who's really adventurous. Or munch the worm yourself, it's really delicious. Try Monte Alban Mezcal con Gusano. Who knows what might happen?



\*If you can't find Monte Alban at your favorite liquor store please drop a card to Bill Rogers, P.O. Box 1240, Chicago, IL 60601. He'll be glad to help.



**Monte Alban. Authentic Mexican Mezcal. The proof is in every bottle.**

©1978. Monte Alban Mezcal. 80 Proof. Imported exclusively by Stuart Rhodes, Ltd., New York, New York. Available in the United States in 750 ml. (25.4 oz.) bottles.



## INTRODUCTION

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**W**e are in an era where the fast-food industry has encouraged the general public not to cook at home. When it comes to chili, however, this isn't necessarily so. The results of a recent Hunt-Wesson study show that more than two-thirds of Americans have prepared homemade chili, and outside of a small pocket in the Northeast, the number of chili chefs is even higher. On top of that, they found more people prepare homemade chili than spaghetti sauce or casseroles.

Although chili has been considered by most to be a cold-weather dish, the Hunt-Wesson study found that although October through March is the favorite time for making chili, Americans prepare it at least once a month from April through June. Even through the hot summer months chili is prepared often.

Chili appeals to everyone. Despite its somewhat "common" status, even the status conscious are joining the ranks of chili-lovers. This is evidenced by the inclusion of chili on menus from famous restaurants across the nation. And, customer demand at a fashionable Beverly Hills gift shop has prompted it to begin importing special chili bowls from Europe so its patrons can "properly" serve chili to their guests.



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Special thanks to Bill Neil of the Wick Fowler Memorial, Jim West, president of the International Chili Society and Hal John Wimberly. Cover photo courtesy Hunt-Wesson Foods, Inc. Photography by Ed Hogg. Art direction by Art & Design.

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## The Original Texas-Style Chili

# Soup of the Devil

**T**he sun set low on the west end of the plaza in San Antonio, Texas, in the late 1800's. As the dust and noise settled vendors (called Chili Queens) rolled their carts into place. Methodically they arranged stools and small tables, draped in colorful oilskins and lit lamps. Pots, pans, bowls and makeshift burners were pulled from the carts and placed near the tables. Huge caldrons containing a premade concoction hung over each charcoal burner. They soon bubbled and filled the air with a unique aroma. Street musicians appeared and the plaza became festive. People from miles away arrived to partake in this nightly ritual of devouring "that concoction"—chili.

This scenario typifies the popularizing of the peppery dish called chili. Although there is no "real" documentation available, there are many theories about how chili arrived on the scene. But one thing we do know about its birth—it did *not* originate in Mexico. Yes, "chili" is a Spanish word, but it simply means a hot pepper.

Chili con carne, as far as we can tell, was first created around 1850 by Texan adventurers as a staple food to take on their journeys to the California gold fields. They pounded dried beef, fat, peppers and salt into brick form and then later boiled the concentrate in pots along the trail.

Chili remained a poor people's dish for several decades, but in the late 1800's it evolved into a commercial venture. In the meantime the recipe swept throughout the Southwest and then turned East as early as 1893, where the dish appeared at a "chili stand" at the Chicago World's Fair.

The concoction was hot, laced with enough peppers to almost heat itself without the use of a stove. Though many people liked the new dish, some felt it was unhealthy for anyone to put such hot food in their stomachs. Some parents even likened it to alcohol and forbade their children to eat it. Newspapers editorialized about its disadvantages and even ministers preached against it. But the disputes eventually died down, the recipes became varied and chili became a household word.

Over the past 150 years, many personalities and anecdotes have been linked with chili. It has been lauded by presidents—from Roosevelt to Johnson. Harry James, the jazz great, lamented on the lack of Texas-style chili establishments throughout the country during his many travels and band tours. It has been the topic of stories by O. Henry, poems by Sidney Lanier and immortalized by writers throughout the world. It has been said Will Rogers judged a town by its chili, and even kept scores.

Chili aficionados are no longer centered among Texans. The famous Chasen's Restaurant in Beverly Hills, California, serves more "Soup of the Devil" to international celebrities than any other restaurant. Jack Benny, J. Edgar Hoover and even Elizabeth Taylor have eaten chili there. In fact, Liz had Dave Chasen send some of his famous chili, frozen, to her in Rome during the shooting of *Cleopatra*.

Frank Tolbert, a noted writer and expert on the Southwest, wrote an article for the *Saturday Evening Post* titled, "A Bowl of Fire Called Chili." He received over 29,000 letters from all over the world, most relating nostalgic experiences with Texas-style chili. Frank is also one of the founders of the Chili Appreciation Society, International and went on to write a humorous and informative book on chili called *A Bowl of Red*.

In 1977, a bill was introduced in the Texas legislature to designate chili the official state dish of Texas. What is claimed to be the world's largest pot of chili, containing 260 gallons, was served to the lawmakers of Texas and ultimately the bill was passed.

Texas claims it is the birthplace of chili, and no one is about to refute it. You'll find it in most restaurants, cafes, and households throughout the state. Even the Texas prison system has become famous for the great chili it serves.

Like most anything else in this country that becomes popular, chili became commercialized. In 1908, Gebhardt's of San Antonio marketed the first canned chili—by 1950, stores stocked chili throughout the world; over 300 million pounds are sold per year.



# Getting Down to Basics

**T**exas-style chili is said to be more a state of mind than a food. But first you must experience the food to achieve the state of mind. The evolution of chili has created an endless number of recipes. However, they all started from the "original." And "original" does not connote the brick chili made by Southwest adventurers.

The original ingredients in Texas-style chili were ground beef or some other like meat, chili peppers, oregano, cumin seeds and garlic. Tomatoes and onion were added later.

The most important ingredient in all chili recipes is the chili pepper itself. The chili pepper was among the new spices Columbus brought back to Spain from America. Dubbed "peppers," chilies are actually fruits of the genus *Capsicum*, the plant family which includes the tomato and potato. Within a century chili peppers were being cultivated the world over. Different soils and climates modified their shapes, colors and flavor, and potencies range from mild bell peppers to tiny bites of fire less than an inch long called Japanese santaka. Chilies vary in hue from yellows and oranges to reds (paprika), maroons, greens and deep purple.

Capsaicin, an irritant found in the seeds and ribs of the peppers is what makes chilies hot. The larger the pepper the greater amount of milder-tasting skin; that's why smaller peppers seem much hotter than larger ones.

Chili peppers were America's greatest contribution to spices. In fact, they became so important that the country of Chile was named on behalf of the *Capsicum* that "burned." They are rich in Vitamins A and C, though C is lost when the peppers are dried. The heat of the chilies is never lost and high flavor corresponds with high color.

To properly prepare peppers follow this procedure: Wash the pods and remove stems and seeds. Be careful not to touch your eyes or get the peppers into cuts. Boil in water until the skins can easily be removed, about thirty minutes. Then drain and chop the pods. To avoid this arduous task, use chili powder, a blend of pepper pods, oregano, cumin seeds and garlic.

Use lean beef or stewing meat—never use prime beef, the fat content is too high.

Here is the basic recipe, the core of any Texas-style chili (Note: Texas-style chili contains *no* beans. However, many people prefer to include them. For variations on this basic recipe, see page 8):

## Real Texas Chili

Sear three pounds of beef until lightly brown. In a large four-quart capacity skillet add the beef, pepper pods (2 to 4) and enough water to cover up to two inches above the beef. If you like *greasy* chili you can add 1/8 pound of beef kidney. Bring to a boil, then simmer for thirty minutes.

Remove skillet from stove, add one tablespoon oregano, one tablespoon crushed cumin seed and at least two chopped garlic cloves (or substitute for these ingredients three tablespoons chili powder), one tablespoon salt, one tablespoon cayenne pepper and one tablespoon Tabasco sauce.

Place mixture back on the stove and return to a boil. Cover, lower heat and simmer for forty-five minutes. Lightly stir mixture occasionally and add more water when and if necessary. Remove the pot from flame and skim off grease.

Next: mix in two heaping tablespoons of Masa Harina (Mexican corn meal) or ordinary corn meal or wheat flour. Cook for another thirty minutes or until meat is done. Taste and season to your preference.

It is best to start off with two pepper pods for milder flavor and to add pods for hotter chili during the last thirty minutes of cooking. As mentioned before, tomatoes and onions were not part of the basic recipe, but can be added to taste.

## Complement The Main Dish

Chili is as filling as it is hot—things served with it should be on the light side. A green salad is probably your best bet, it's light and you won't have to worry about obscuring the taste of the chili. A selection of cheeses as an appetizer can tease the taste buds; you might try the new Rondele pepper cheese.

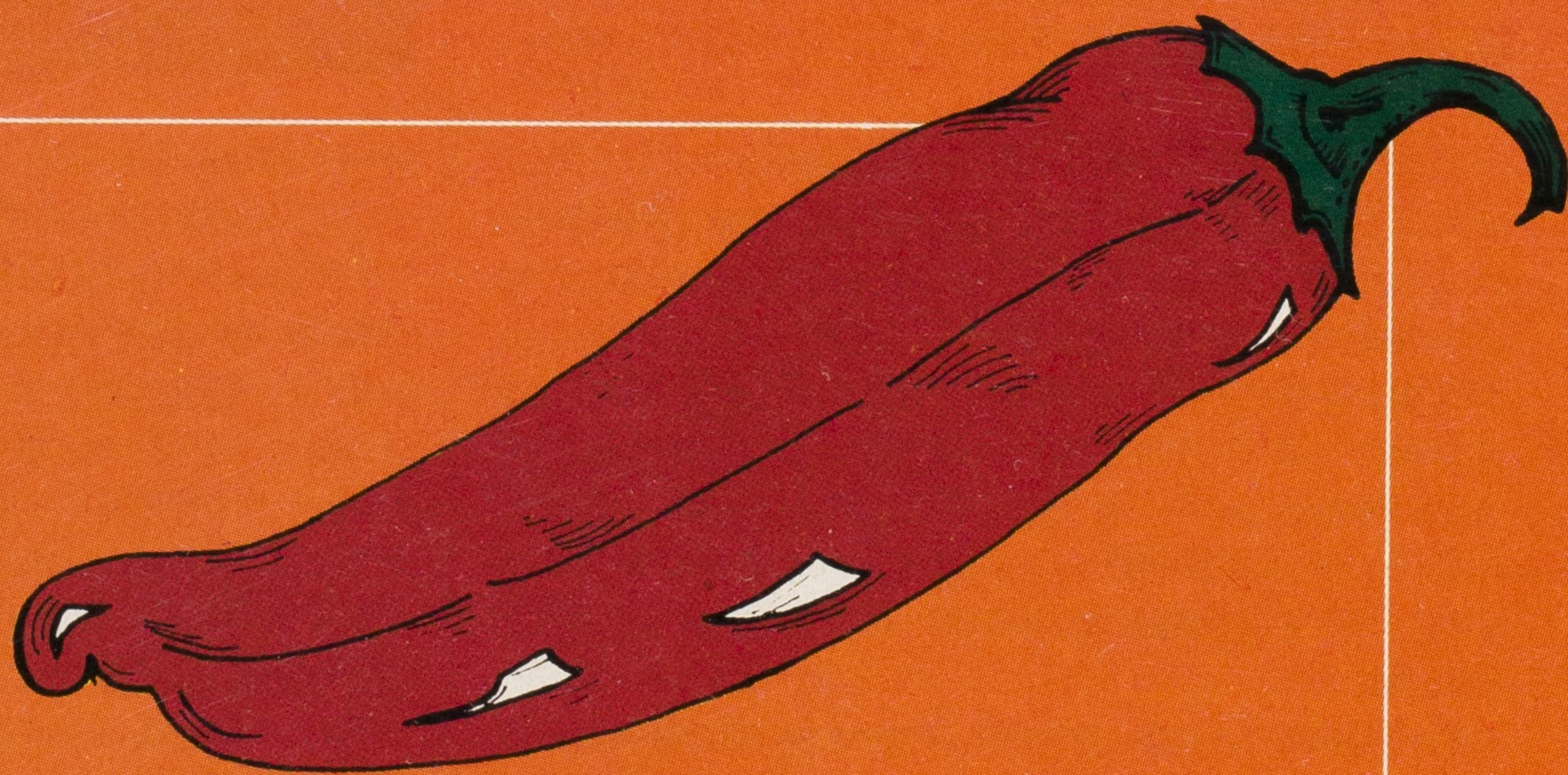
Another idea is to serve a selection of radishes, carrots, olives, pickles, celery sticks and hot peppers, or pickled bean salads on fresh lettuce, or a variety of fresh vegetables served with a complementary dip.

Hot breads enhance a chili meal. French, Italian, sourdough, garlic or biscuits work well. And, if you want to keep that "pepper" theme, Jalapeño corn bread is perfect.

### JALAPEÑO CORN BREAD

2 1/2 C milk  
3 C corn bread mix  
3 eggs (beaten)  
1/2 C salad oil  
1 large onion  
3 T sugar  
1 can creamed corn  
1/2 C pickled jalapeño peppers, finely chopped  
1 1/2 C cheddar cheese, grated  
2 oz. crisp bacon, chopped  
1/2 C pimento peppers, chopped  
garlic powder to taste

Mix ingredients well and bake at 425° F until the bread springs back to the touch.





In 1939 George Haddaway, publisher of *Flight Magazine* in Dallas, and a handful of newspapermen came up with the idea of establishing an appreciation association for chili-lovers. In the late forties a formal organization emerged, officially titled "The Chili Appreciation Society, International" (CASI).

For years the Society preached the doctrines of good homemade Texas-style chili throughout the state of Texas and all remained positive and quiet on the chili front.

But then in August of 1967 the vast plains of Texas began to rumble. A New York journalist had just claimed his chili the "best" in an article which appeared in that month's issue of *Holiday* magazine. Entitled "Nobody Knows More About Chili Than I Do," H. Allen Smith, a noted writer, gave a tongue-in-cheek exposé maligning Texas chili. Texas chili lovers had no choice. It was war.

The members of the CASI quickly convened to plan their counterattack. Thus, this nation saw the birth of the First World Championship Chili Cook-off.

Actually, it wasn't quite that dramatic. Yes, Smith wrote the article. And yes, the Society was upset. But that first great cook-off was really organized more for fun than revenge. Smith was challenged by the Society and the eventful battle took place in October, 1967, in Terlingua, Texas.

Terlingua, hardly a bustling metropolis (population 2) offered plenty of room among its ghost-town ruins to accommodate the growing number of people being invited to this event. And besides, Carroll Shelby (a Texas expatriate living in California and father of the dream car, Cobra) freely offered his land, as any dutiful member of the Society would do. The Society decided that Smith's opponent would be Wick Fowler, an Austin newspaperman and one of the best chili-makers in Texas.

There are many colorful renditions about what happened that day. But in a nutshell, two of the judges split their votes as to who cooked the best chili. The third judge couldn't decide and had reportedly burned every taste bud in his mouth trying. The outcome was a tie. Because of the tie another cook-off was planned for the next year. Cook-offs soon became an annual event.

In 1968, Wick again represented Texas but this time his challenger was Woody De Salva from California (Smith couldn't make the event). Again, there was a tie.

It wasn't until 1969 that a winner was named—C.V. Wood, Jr., from California.

By 1970 the WCCC was off and running. People would arrive at the desolate site by the thousands and the number of contestants increased. The CASI had loosely organized a state contest and the only requirement for eligibility in the World Championship was to have finished first, second, or third in an authorized state chili cook-off.

The popularity of the Terlingua cook-offs continued to grow. Finally, in 1970, both the Texas and California chili-heads convened to attempt to organize this "monster" event. They agreed that the CASI was not re-

sponsible for the World Championship and in November of that year the International Chili Society (ICS) was formed to direct the future of the World Championships.

The Society's governing board consisted of men from Texas and California and with their help, cook-off events sprang up across the country. Winners were sent every year to Terlingua for the Championship. Chili cook-offs were here to stay.

But then in 1974, differences arose between the Texas and California contingencies. There are many opinions about exactly what happened, but the final outcome was a split. The World Championship was moved to Tropic, California, still under the auspices of the ICS. The annual event in Texas would remain in Terlingua, but would now be under the banner of the Wick Fowler Memorial (WFM).

Tens of thousands of people continue to converge each fall in both Terlingua and Tropic to see who will win the WFM or become the World Champion Chili Cook.

### **There's More to Cook-offs Than Just Chili**

The exciting environment and the colorful personalities who attend these events

# The Great C



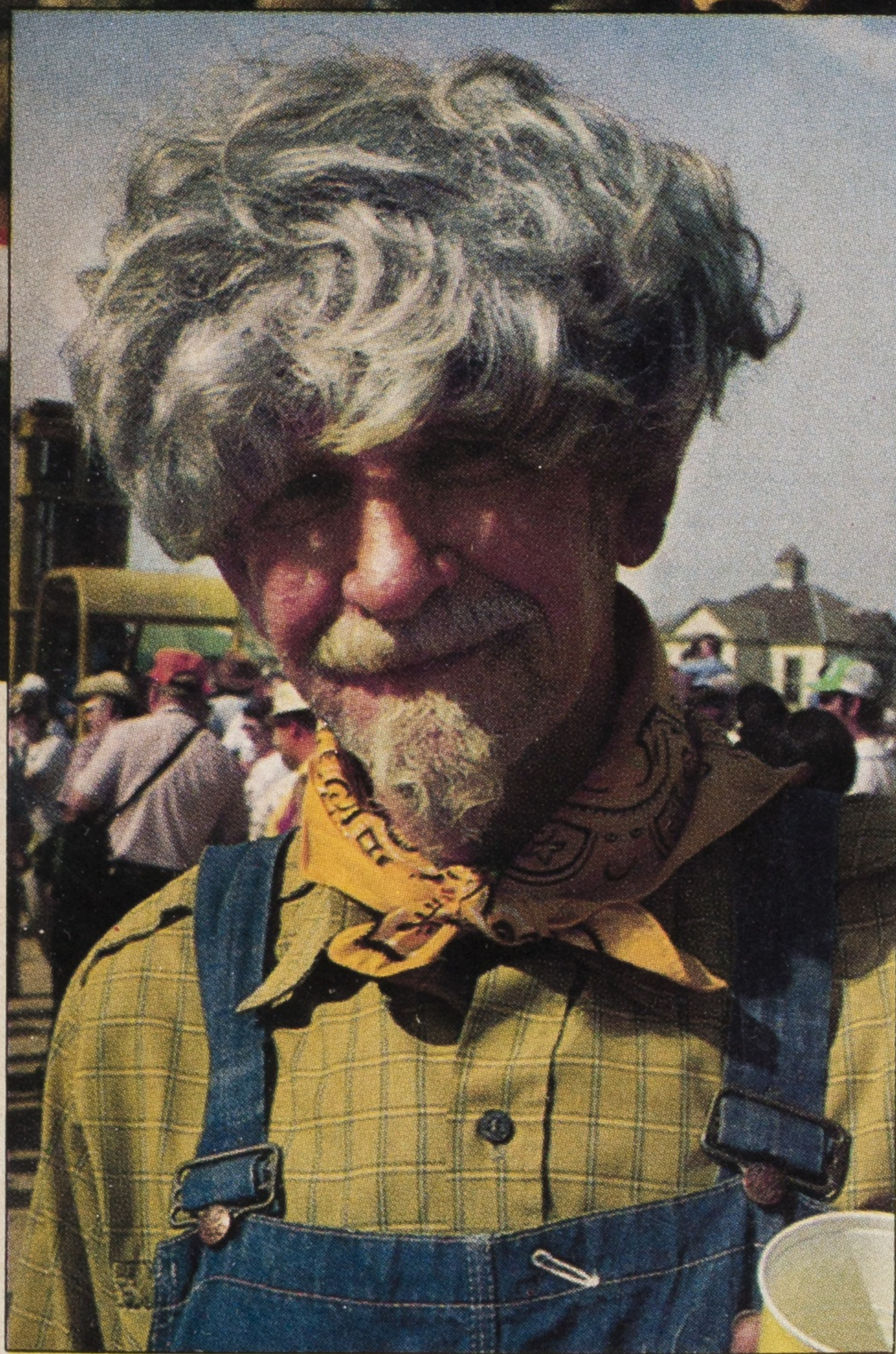
provide a showmanship atmosphere tinged with old-fashioned fun.

Cook-offs are colorful. Many of these events begin in the morning with a parade of contestant teams. Gone are the days of the single chef preparing his devil's soup, totally dependent on his own capabilities. Contestants now arrive with team members who lend physical help and moral support. The teams lead the kick-off parade in bright color-coordinated costumes and some even assemble floats, carrying everything from the chef's ingredients to the whole team: C.V. Wood, Jr. robed and crowned, entered the scene on his appropriately fashioned throne surrounded by a bevy of beauties. Others have been decked out as firemen, complete with engine and axes, or as a surgical team with a huge caldron of steaming chili on a stretcher behind them. Covered in feathers, masked as gorillas, surrounded by balloons or riding on coffins, the entries are a sight to behold.

After the parade, the cooks and teams gather at their designated booths or brightly colored tents to assemble their ingredients, stoke the fires and begin preparing for the starting time. In the meantime, spectators are entertained by spon-



# ook - Offs



## World Champion Chili Cooks

1967	tie	Wick Fowler, TX H. Allen Smith, NY
1968	tie	Wick Fowler, TX Woodruff De Salva, CA
1969		C.V. Wood, Jr., CA
1970		Wick Fowler, TX
1971		C.V. Wood, Jr., CA
1972		Howard Winsor, CO
1973		Joe De Frates, IL
1974		Janie Schofield, TX
1975		Joe De Frates, IL
1976		Rufus Valdez, NM
1977		Jay Pennington, NV
1978		"Nevada Annie," NV

sors with hot-air balloons, air shows, boat displays, vendors and music. One sponsor, Barton Brands, even has a hang glider zoom overhead. There's plenty to drink and even more to see. Beer chugging, wet T-shirt contests, performers, magicians and the like create a country-fair atmosphere and set the stage for the big event. It's fun for young and old alike. No one has ever had a lousy time at a chili cook-off. And a lot of that has to do with the unique personalities that have nurtured and supported these events.

Frank Tolbert, one of the original chili heads, has always had an honest interest and concern for the organization of the cook-offs. Carroll Shelby, race car entrepreneur, devoted much time and expense to promoting the events. C.V. Wood, Jr. president of McCulloch Oil (another Texas expatriate residing in California) started the showmanship trend with his airplanes, hot-air balloons, bands and girls. These events have become a major social scene and will go on in history as part of our American tradition.

If you're into spectator sports, then cook-offs can be an exciting experience. Hundreds of cook-offs are sponsored each year throughout the country. These events

all lead to either the Championship of the WFM in Terlingua, Texas, or the World's Championship of the ICS in Tropic, California.

## You Could Be the Next World Champion Chili Cook

If you take your chili seriously and want to join in the fun, you might consider entering a real chili cook-off.

Actually, there are two routes to take: If your goal is to become the official World Champion of the ICS, you must go by way of the World Championship held in Tropic, California. First you must join the Society—the membership fee is \$10. For further information write: International Chili Society, P.O. Box 2966, Dept. A, Newport Beach, CA 92663. Once a member, you are eligible for the regional or district cook-offs that are sanctioned by the ICS. Only if you become a state or regional winner, are you eligible to cook at the World's Championship. At any sanctioned ICS cook-off you must abide by their rules, which are available with your membership.

For example:

- True chili, according to the ICS is any kind of meat or combination of meats cooked with chili peppers, spices and other ingredients with the exception of beans or spaghetti.
- Ingredients (except canned) may not be precooked.
- The cooking period is a minimum of three hours and a maximum of four.
- Contestants are responsible for their own utensils, etc., and are permitted to set up the morning of the event.
- Contestants are permitted a maximum of three assistants. Official support teams may not exceed twenty-five people.
- The first place winner's recipe becomes public domain.

The second route to take is sponsored by the WFM Headquarters in Dallas with the grand championship still being held in Terlingua, Texas. The WFM resembles the ICS but is more loosely structured. The WFM requires no membership fee, and to join all one has to do is enter a cook-off sponsored by a Fowler-sanctioned "pod." (A Pod is basically a chili club.) Most pods are located in the Southwest, but it is possible to start your own. Contact Bill Neil or David Witts, in care of the Wick Fowler Memorial, 5353 First International Building, Dallas, Texas 75270. To qualify for the Fowler "World Championship," you must win at least one prior-sanctioned cook-off within the year. After that it's Terlingua or bust!

Both the ICS and WFM cook-offs attract people from all over the United States, Europe and South America. The ICS recently sanctioned a major cook-off in Tahiti and last year the WFM even let a New Yorker participate.

No matter which route you take you'll have a great time.

And good luck!





# Our Pick of the Best

## Recipes That Win Every Time

### EASY PARTY CHILI CON CARNE

4 lbs ground beef  
4 C chopped onions  
4 cans stewed tomatoes  
1 can (15 oz.) tomato sauce  
2 T sugar  
3 T chili powder  
2 t salt  
1/2 garlic clove, crushed

Sear ground beef and onion until light brown, drain off fat. Stir in balance of ingredients and heat to boiling. Reduce heat and simmer uncovered for 1 1/2 hours.

### NEVADA ANNIE'S 1978 WORLD CHAMPIONSHIP CHILI

1 1/2 medium onions, chopped  
1 medium green pepper, chopped  
1 large rib celery, chopped  
1 small clove garlic, minced  
1/2 chopped Jalapeno pepper  
3 T Wesson Oil  
4 lbs coarsley ground round  
8 T chili powder  
1 T ground cumin  
2 t garlic salt  
1/4 t Tabasco sauce  
8 oz. of beer.  
1 1/4 C water  
1 (14-1/2 oz.) can, Hunt's stewed tomatoes  
1 (8 oz.) can Hunt's tomato sauce  
1 (4 oz.) can green chilies, Ortega diced  
1 bay leaf

Saute first 5 ingredients in oil. Add ground round and cook until beef loses redness. Then add chili powder, cumin, garlic sauce, Tabasco, 8 oz. of beer. Salt and pepper to taste. Let stand 2 minutes (remaining beer is to drink). Add rest of ingredients. Simmer, covered, on low heat for 3 hours, stirring often. Makes about ten servings.

### JAY PENNINGTON'S 1977 WORLD CHAMPIONSHIP CHILI

Yields nearly two gallons. For smaller portion, cut down ingredients proportionately.

3 medium onions, chopped fine  
2 medium bell peppers, chopped fine  
3 celery stalks, chopped fine  
8 lbs coarse ground beef  
1 small can tomato paste  
2 (No. 2) cans stewed tomatoes  
2 (No. 2) cans tomato sauce  
3 small garlic cloves, chopped fine  
2 bottles chili powder (3 oz. each)  
3 T salt or to taste  
sprinkling of oregano  
1 4-oz. can chili salsa  
1 medium green hot chili pepper  
garlic salt and coarse ground pepper to taste

Cover bottom of two-gallon iron pot

with cooking oil. Add finely chopped onions, bell peppers and celery. Let cook for 10 minutes. Add meat and brown for another 10 to 15 minutes. Now add tomato paste, stewed tomatoes, tomato sauce and stir in. Add garlic, chili powder, salt, oregano, chili salsa and chili pepper. Takes about 30 minutes to get all ingredients together. Add pinch of garlic salt and course ground pepper to taste. Simmer for two-and-a-half hours, stirring every 10 to 15 minutes.

Note: Pennington, 45, won the world title after winning the Nevada State cook-off held each year at the Circus Circus in Las Vegas.

### RUDY VALDEZ 1976 WORLD CHAMPIONSHIP CHILI RECIPE

1 lb pork shoulder, chopped into 3/8-inch pieces  
1 lb beef flank steak, chopped very fine  
1 medium white onion  
6 sticks celery, 6 inches long, chopped  
1 ripe tomato, chopped  
1 T hot New Mexico chili powder  
1 T medium New Mexico chili powder  
1 T mild New Mexico chili powder (Use heaping tablespoonful)  
1 8-oz. can Ortega green chili salsa  
1 8-oz. can Ortega green chili peppers, diced  
1 clove garlic  
1 t oregano  
1 t cumin  
1 t Tabasco sauce  
1 t salt

Cook pork and beef, in separate pans, for 20 minutes. Add 1/2 tsp. of cumin to each skillet. In a 6-quart sauce pan, combine tomato, onion, celery, chile salsa, green chili, oregano and Tabasco sauce. Make a paste, adding a small amount of water, with the 3 grades of New Mexico chili powder and add to the vegetable mixture in the sauce pan. Cook this mixture for 20 minutes. Drain the juice from the meat, except for 4 tbsp., add to the vegetable mixture. Cook for about 1 1/2 hours, until the meat is tender. Just prior to serving add salt, according to taste.

### CHASEN'S FAMOUS CHILI

5 C canned tomatoes  
1/2 lb pinto beans  
1 lb sweet peppers, chopped  
1 1/2 T salad oil  
1 1/2 lbs onions, chopped

2 cloves garlic, chopped  
1/2 C parsley, chopped  
1 lb ground lean pork  
2 1/3 lbs chili-grind beef chuck  
1/3 C chili powder  
2 T salt  
1 1/2 t black pepper  
1 1/2 t cumin seeds  
1 1/2 t monosodium glutamate

Wash beans and soak overnight. Simmer in water until tender, add tomatoes and simmer for five minutes. Saute green peppers in salad oil for 5 minutes. Add onions and cook until tender. Add garlic and parsley. Saute pork and beef in butter for 15 minutes. Add meat to onion, tomato and green pepper mixture and stir in chili powder and cook for 10 minutes. Then add in beans and spices and simmer, covered, for 1 hour. Uncover pot and simmer for 30 more minutes. Skim grease from top.

### PEDERNALES RIVER CHILI

4 lbs lean beef  
1 large onion, chopped  
1 t oregano  
2 cloves garlic  
1 t ground cumin  
6 t chili powder  
32 oz. can of tomatoes  
2 C hot water

Sear meat, onion and garlic in large skillet until light brown. Add balance of ingredients and bring to boil. Simmer, covered, for one hour; then skim off grease.

### THE FAVORITE CHILI OF ROSALYN CARTER

1 lb round steak, cut in bite-sized cubes  
3 T corn oil  
Cook meat in hot oil until it looks grey. Add the following:  
1 4-oz. can green chiles, chopped  
1 8-oz. can tomato paste  
1 small onion, chopped  
1 1/2 C water  
3 cloves garlic, finely chopped  
1/2 t cumin  
1/2 t oregano  
approximately 1/4 teaspoon pepper  
1/2 T sugar  
1 1/2 T flour  
1 1/2 t salt  
2 T chili powder  
Simmer in heavy pot or electric skillet.

### MRS. TOM BRADLEY'S CHILI

2 lbs ground beef, freshly ground  
3 T oil  
1 1/2 t salt  
1/2 t pepper  
4-6 T chili powder  
2 cloves  
1 bay leaf  
1/4 t paprika  
2 T ground cumin  
2 medium onions  
1 clove garlic  
2 green peppers  
1 6-oz. can tomato sauce  
2 20-oz. cans kidney beans (liquid drained off)  
2 cans whole tomatoes

In cooking oil, saute finely chopped onions and green peppers. Add ground beef, brown, mixing thoroughly so that meat is crumbled. Add some of the chili powder while these ingredients are browning. In a large pot, simmer tomatoes, spices, and beans. When meat is thoroughly browned and crumbled, add meat, onions, and green pepper to the other ingredients in a large pot. Add canned chili beans. Serve hot bowls of chili with fresh green salad and garlic toast. Don't forget to supply a bowl of freshly chopped onion for those who wish to sprinkle it on top of the chili.

### MIKE ROY'S HOUSE-BROKEN CHILI

1/2 lb beef suet, ground  
1 onion, chopped  
1 garlic clove, chopped  
1 T grated orange rind  
2 lbs coarse-ground lean beef (shank is best)  
Tabasco sauce  
3 T chili powder  
1 T ground cumin  
1/2 t pepper  
2 C water  
1 C bouillon or beef broth  
1 T paprika  
1 T salt  
3 T orange liquor

In a large kettle, render suet and discard solids. Into the hot fat, stir in onion, garlic and orange rind. Saute until onion is soft, about 3 minutes. Add beef, stirring until lightly browned. Add remaining ingredients except liquor and Tabasco. Bring to a boil and simmer covered 3 to 4 hours. Add additional water if necessary and stir occasionally. Add liquor and Tabasco and adjust seasoning for salt if necessary. Simmer 15 minutes more uncovered. Serve hot in bowls with salt crackers.



# Two great imported coffee liqueurs. One with a great price.



The fertile coffee plantations of Mexico yield two superb coffee liqueurs. Sabroso and Kahlua.

Both are authentic coffee liqueurs made from the finest coffee beans Mexico has to offer.

Like Kahlua, Sabroso has that deep, rich coffee flavor one looks for when making delightful Black Russians, Cafe Curacaos and Espressos.

Both are smooth, rich and satisfying liqueurs. But Sabroso costs a whole lot less than Kahlua.

Sabroso Imported. A great coffee liqueur. At a great price.





## Entertaining at Home

# Hot Parties with Chili

Can't make it to a cook-off? Then bring the cook-off to your house with a down-home Texas-style chili party. If you love to entertain and are looking for fresh menu ideas, a chili party will do the trick. It's easy to put together and if all the preparations are done in the true Texas spirit of fun, you can guarantee your guests a good time.

Your "theme" of course, should be the Old West. If weather permits, plan the party as an outdoor affair. However, if you're having your party indoors, the right decor will create the scene.

- Western-motif earthenware plates and bowls, heavy glassware and woven baskets displayed on red-and-white-checked tablecloths will give you that Texas-cafe look.
- Kerosene lanterns or candles for after the sun sets.
- Plenty of benches, and of course, a designated area for dancing. You may even want to "corral" the area off with rope.
- Lots of Country/Western music or Texas ballad records. A jukebox stocked with appropriate music is always a hit.
- How about a bale of hay, an old saddle, wagon wheel or other piece of western paraphernalia?

Finally, to complete the picture, be sure to inform guests that attire is very casual or insist on jeans and western shirts. Again, if budget permits, you may consider purchasing a selection of cowboy hats. They make unique guest favors and with everyone dressed western-style, it lends to the atmosphere.

When planning party logistics, the buffet is the way to go. It's casual and fun—and gives your guests freedom to choose when and what they'd like to eat. A buffet set-up also allows the hostess a chance to mingle and relax.

Actually, there are three possible ways to stage your party. First, cook your own chili. Second, challenge a friend to a real cook-off. Or third, have guests bring their favorite chili for everyone to sample and enjoy.

If you opt for the first suggestion, here's a menu we suggest that is authentic Texas-style and should adequately serve twenty-four guests.

### TEXAS-STYLE CHILI PARTY MENU

Three Bean Salad  
Old-Fashioned Cucumbers  
Party Chili Con Carne (see p. 8)  
Jalapeño Corn Bread (see p. 5)  
Watermelon Fruit Bowl  
Beverages

### OLD-FASHIONED CUCUMBERS

8-12 medium cucumbers  
4 T salt  
3 C white vinegar  
8 T sugar  
1 t pepper

Wash and cut cucumbers into paper-thin slices; place in deep bowl, sprinkle with salt. Let stand covered for 2 hours. Drain, press out remaining liquid. Stir in remaining ingredients and refrigerate for 4 hours.

### THREE BEAN SALAD

4 cans (1 lb.) French-style green beans, drained  
4 cans (1 lb.) wax beans, drained  
4 cans (1 lb.) red kidney beans, drained  
2 C green onions, chopped  
1 C parsley, snipped  
4 T sugar  
3 cloves garlic, crushed

24 oz. Italian salad dressing  
crisp lettuce

Combine beans, onions and parsley in a large bowl. Mix dressing, sugar and garlic. Pour over bean mixture and toss. Cover; refrigerate at least 3 hours, stirring occasionally. Just before serving, remove bean mixture with slotted spoon to lettuce-lined salad bowl.

### WATERMELON FRUIT BOWL

1 qt. rum  
2 small cantaloupe  
2 small honeydew  
4 C pineapple chunks  
4 C pitted sweet cherries or strawberries

Cut a horizontal slice off the watermelon. Scoop meat out of melon, to within 2 inches from bottom to form bowl. Remove seeds from melon and cut into bite-sized pieces. Cut large scallops around edge of melon bowl; cover and chill. Peel and seed other melons, cut into bite-sized pieces. Combine fruits. Place melon on a serving plate with rum. Spoon fruit into bowl. Chill and garnish with mint.

### BEVERAGES

Tequila is Mexico's contribution as the perfect beverage to serve with chili. It has been rumored that Texans were responsible for the popularity of tequila in this country. After all, they only had to step over the border to experience its uniqueness. Tequila provides a base to an unending variety of cocktails that are fun to concoct and even more fun to drink. Here are some suggestions:

Tequila Stinger—Mix 1 1/2 oz.

Montezuma Tequila and 1/2 oz. green creme de menthe. Shake with crushed ice, strain and serve.

Bloody Sizzler—Mix 1 1/2 oz.

Montezuma Tequila, 3 oz. Beefamato juice, 1/2 oz. lemon juice, pinch of salt and pepper, and a dash of hot sauce. Shake with cracked ice, strain and serve.

Horny Bull—Mix 1 1/2 oz.

Montezuma Tequila, 1/3 oz. lime juice, 3 oz. orange juice. Serve on ice, garnish with lime.

### AZTEC PUNCH

In a large bowl mix:  
1 gallon Montezuma Tequila juice from 12 lemons  
4 (16 oz.) cans grapefruit juice  
2 quarts strong tea  
1 1/2 teaspoons cinnamon  
1 1/2 oz. bitters  
Let stand two hours and blend. Makes 124 cups.

### COFFEE SABROSO

Crush one cube sugar in a coffee mug. Add 3/4 oz. Sabroso Coffee Liqueur. Fill with hot black coffee and top with whipped cream.



# Real Gold from Mexico.



Aztec gold. It's what lured a handful of Conquistadores to conquer a nation. Carved into exotic shapes, it has entranced and fascinated men for ages. And it was the inspiration for Montezuma Gold Tequila, a tastier, mellower tequila. But don't let its smoothness deceive you. Underneath it all lies a certain subtle power that demands respect.

Montezuma Gold Tequila. Look for our Aztec calendar and make a date with Montezuma Gold today. You'll discover the power that real Gold can bring.

# MONTESZUMA

## The noblest Tequila.



# Montezuma and the world's first chili cook-off.



Eight thousand years ago, descendants of ice-age hunters settled in what is now Mexico. None of them had ever heard of either chili or tequila. Today, both chili and tequila are very popular. In between, someone must have invented them.

With that as historical background, here's the story of the world's first chili cook-off and how it affected North American civilization.

One day, probably in early June, Montezuma, the famous King of the Aztecs, announced to his wives, "I'm bored stiff. I'm going to throw such a party people will still be writing about it in 1979." With that he publicly announced the Quetzalcoatl Chili Cook-Off.

It was held in mid-July, after his people, the Aztecs, had starved themselves for six weeks, so as to sharpen their taste buds. Archeologists have noted several of the events which took

place at that first cook-off. One was the Chiligula (god of chili) Look-Alike Contest. It was won by Montezuma, Jr. Then there was a maize-throwing contest, throw-the-maiden-in-the-volcano, sing-while-gargling-tequila, and wet loin cloth contests.

Then came the chili judging. Montezuma himself deigned to taste the chili, and awarded the winner with a lifetime supply of leg irons.

Ever since that time, Montezuma Tequila and chili have gone together like fire and brimstone. So well that Montezuma Tequila is the official

sponsor of the Wick Fowler Memorial Chili Cook-Off and the Rosamond Chili Cook-Off, and all related, and so sanctioned cook-off events throughout the culinary societies of the world.

With support from Chiliheads across the land, it's little wonder Montezuma has become one of the leading Tequilas in the country.

Montezuma himself would have been proud.



**Montezuma<sup>®</sup>**  
**TEQUILA**  
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